



County of Los Angeles  
Department of Public Social Services

Bryce Yokomizo  
Director

November 20, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENT NUMBER TWO TO EXTEND  
CONTRACT #73177 WITH PDQ PERSONNEL SERVICES, INC., TO PROVIDE  
TERMINAL OPERATOR SERVICES FOR THE STATEWIDE FINGERPRINT IMAGING  
SYSTEM (SFIS)  
(ALL DISTRICTS - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that services performed under this contract continue to be performed more economically by contractor than by County employees.
2. Approve and instruct the Chair to sign the attached Amendment Number Two that extends the Agreement with PDQ Personnel Services, Inc., (PDQ) for the provision of Statewide Fingerprint Imaging System (SFIS) terminal operator services in the Department of Public Social Services (DPSS) effective January 1, 2003, for one year at an estimated cost of \$1,400,000, which is included in the FY 2002-03 Adopted Budget, and has been approved as to form by County Counsel.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The contract with PDQ provides approximately 43 skilled clerks (and skilled back-up clerks to cover absences) to operate SFIS fingerprint imaging workstations currently located in 31 DPSS offices. These services are provided at less cost than the County could provide if the service were to be performed by County employees.

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In December 2000, your Board approved this contract with PDQ for a contract term of one year with the option of two one-year extensions instead of the three-year term the Department had requested. The Board took this action in response to Local Union 660 concerns related to absenteeism. In response, DPSS developed a monitoring report to track absenteeism. Since January 2001 to the present, the Department has found that PDQ provided a replacement in every instance. The contractor provided timely replacement 98.1 percent of the time (the contract requires replacement of staff within two hours).

At the December 4, 2001 Board meeting, your Board reviewed DPSS' recommendation to exercise its option for a one-year renewal. Your Board approved the recommendation. In addition, the Department of Human Resources (DHR) was instructed to work in concert with the Chief Administrative Office to evaluate whether the terminal operator function can be adequately performed by an entry level Clerk as opposed to an Intermediate Typist Clerk. Your Board also requested a cost analysis based on these results.

As instructed, DHR conducted a study and analysis of the SFIS function and recommended that the SFIS function be performed at the class level of an Intermediate Clerk. DHR included in their response to your Board (attached) a cost analysis provided by the Auditor-Controller, DPSS, and the CAO, comparing the estimated County cost to provide these services with Intermediate Clerks. The analysis concluded that the Agreement continues to be cost effective.

#### **Implementation of Strategic Plan Goals**

The Amendment is consistent with the principles of the Countywide Strategic Plan in strengthening the County's fiscal capacity. (This is consistent with Goal #4 and Strategy #1 - Manage effectively the resources we have, and Strategy #3 - Increase public/private partnerships.)

#### **FISCAL IMPACT/FINANCING**

The contractor is paid a firm fixed hourly rate for providing terminal operators during the one-year period with no cost-of-living increase. Although not subject to a contract maximum, this projected cost may decrease based solely upon workload fluctuation. The estimated annual cost for Amendment Number Two is \$1,400,000.

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To the extent that these costs are claimed to CalWORKs and Food Stamps, there is no additional net County cost (NCC) after the required Maintenance of Effort is met. The small share of costs charged to General Relief (GR) results in an estimated NCC of \$32,000 for the one-year contract period. Funding for this contract has been included in the FY 2002-03 Adopted Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

With your Board's approval, this Amendment will extend the Agreement term for one year, commencing January 1, 2003.

The Contractor will continue to recruit and provide skilled bilingual clerical staff to be trained as terminal operators to finger image applicants of the GR, CalWORKs, and Food Stamp Programs.

The Contractor will not be asked to perform services which will exceed the scope of work or contract term.

The Amendment includes standard language on the Jury Service Program. The contractor is in compliance with the program.

The Amendment has been approved as to form by County Counsel.

### **IMPACT ON CURRENT SERVICES**

This contract does not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. The contract is in compliance with all of the requirements of Los Angeles County Code Section 2.121.380, mandatory prerequisite for the award of a contract.

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**CONCLUSION**

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter and three original signed copies of the Amendment to DPSS.

Respectfully submitted,



Bryce Yokomizo  
Director

BY:ro

**Attachments**

c:     Executive Officer, Board of Supervisors  
        Chief Administrative Officer  
        County Counsel  
        Auditor-Controller

**AMENDMENT NUMBER TWO TO CONTRACT #73177  
TERMINAL OPERATOR SERVICES FOR THE STATEWIDE FINGERPRINT IMAGING  
SYSTEM (SFIS) BY AND BETWEEN COUNTY OF LOS ANGELES AND  
PDQ PERSONNEL SERVICES, INC.**

Amendment Number Two to the Contract #73177, hereinafter referred to as "Agreement", is made and entered into this \_\_\_\_ day of \_\_\_\_, 2002, by and between the County of Los Angeles, hereinafter referred to as COUNTY, and PDQ Personnel Services, Inc., hereinafter referred to as CONTRACTOR.

Whereas, services performed under this Agreement continue to be performed more economically by the CONTRACTOR than by COUNTY employees;

Therefore effective January 1, 2003, the Agreement is revised as follows:

**A. Section II, Contract Period:**

Paragraph 1.2 is added as follows:

- 1.2 Subject to the termination provisions set forth herein, the extension of this Agreement shall commence on January 1, 2003, and shall continue through December 31, 2003.

**B. Section V, Further Terms And Conditions:**

A new paragraph 58.0 is added as follows:

**58.0 COMPLIANCE WITH JURY SERVICE PROGRAM**

**A. Jury Service Program.**

This Agreement is subject to the provisions of the COUNTY's ordinance entitled CONTRACTOR Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

**B. Written Employee Jury Service Policy.**

1. Unless CONTRACTOR has demonstrated to the COUNTY's satisfaction either that CONTRACTOR is not a "CONTRACTOR" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code),

CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service.

The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Section, "CONTRACTOR" means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full-time employee of CONTRACTOR. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for the COUNTY under the Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.
3. If CONTRACTOR is not required to comply with the Jury Service Program when the Agreement commences, CONTRACTOR shall have a continuing obligation to review the applicability of its exception status from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "CONTRACTOR" or if CONTRACTOR no longer qualifies for an exception to the Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the Agreement and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY's satisfaction that

CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "CONTRACTOR" and/or that CONTRACTOR continues to qualify for an exception to the Program.

4. CONTRACTOR's violation of this Section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, COUNTY may, at its sole discretion, terminate the Agreement and/or bar CONTRACTOR from the award of future COUNTY agreements for a period of time consistent with the seriousness of the breach.

All other terms and conditions remain in effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Chairman, and the seal of said Board hereto affixed and attested by the Executive Officer and Clerk thereof, and CONTRACTOR has caused this Amendment to be signed by its duly authorized officer(s), this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors

Attest:

VIOLET VARONA-LUKENS, Executive Officer  
Clerk of the Board of Supervisors  
of the County of Los Angeles

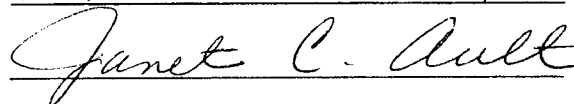
By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By   
Principal Deputy County Counsel

Firm PDQ PERSONNEL SERVICES, INC.

By 

Typed Name Janet C. Ault

Title Vice President  
5900 Wilshire Boulevard, Suite 400  
Los Angeles, California 90036





# COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

579 KENNETH HAHN HALL OF ADMINISTRATION/LOS ANGELES, CALIFORNIA 90012  
(213) 974-2406 FAX (213) 621-0387

**MICHAEL J. HENRY**  
DIRECTOR OF PERSONNEL

June 12, 2002

To: Each Supervisor

From: Michael J. Henry  
Director of Personnel

Subject: **REPORT ON DEPARTMENT OF PUBLIC SOCIAL SERVICES' (DPSS)  
AGREEMENT WITH PDQ PERSONNEL SVCS, INC. FOR STATEWIDE  
FINGERPRINT IMAGING SYSTEM TERMINAL TECHNICAL  
OPERATOR SERVICES (SFIS)**

This is to provide information you had requested regarding an analysis of positions performing the function of Statewide Fingerprint Imaging System (SFIS) Technical Operator of CalWORKs participants in the Department of Public Social Services (DPSS) and whether it is cost effective for the County to provide staffing for the SFIS function. This function is currently being contracted to PDQ Contractor Personnel Services, Inc. (PDQ). My office has worked in concert with the Chief Administrative Office (CAO) to develop the following findings and recommendations.

## **BACKGROUND**

On December 4, 2001 on motion of Supervisor Burke, your Board took the following actions:

1. Approved the Interim Director of Public Social Services' current recommendation for approval of a one-year contract extension with PDQ Personnel Services, Inc. to provide staffing services for the SFIS function.
2. Requested the Director of Personnel to work in concert with the Chief Administrative Officer to:
  - a) analyze the functions required in order to perform the fingerprinting of CalWORKs participants;

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- b) evaluate whether such functions can be adequately performed by an entry level clerk as opposed to an intermediate typist clerk;
  - c) provide a cost savings analysis; and
  - d) review the legal qualifications required for a person to take the fingerprints.
3. Instructed the Director of Personnel and Chief Administrative Officer to report back to the Board within 190 days with recommendations prior to the adoption of any future contract extension for these services.

#### **ANALYSIS OF FINGERPRINTING (SFIS) FUNCTION**

The Department of Human Resources (DHR) has conducted a study and analysis of the SFIS function currently being outsourced to PDQ. DHR conducted on-site job audits and interviews of three PDQ employees performing the SFIS function. Currently, there are forty-nine (49) PDQ clerks staffed to operate the SFIS system located throughout the various 31 DPSS district offices. In addition to fingerprinting CalWORKs participants, these positions are also responsible for fingerprinting public assistance participants in the General Relief and Food Stamps programs.

The SFIS fingerprint-imaging system is a state-wide database system that contains data of welfare participants who have applied for, received, or are receiving public assistance through other county social services agencies. This process would prevent duplication of benefits and reduce potential welfare fraud. PDQ employees operate the SFIS workstations by photographing participants and scanning their fingerprint image and personal data into the SFIS system. They communicate SFIS results to the Eligibility Worker, make referral to the Welfare Fraud Prevention Section when needed, and distribute SFIS system generated district reports. Additionally, PDQ employees perform other related duties including scheduling of fingerprinting appointments with CalWORKs participants; answering general public inquiries; performing routine maintenance of the SFIS system (cleaning and dusting the screens and hardware); and may perform other clerical duties within the office during non-peak fingerprinting periods.

### **POSITION RECOMMENDATION**

We recommend that the SFIS function be performed at the class level of an Intermediate Clerk since the duties meet the Definition of the class specification, "Performs specialized clerical duties requiring a working knowledge of specialized subject matter". These positions perform specialized clerical duties requiring a working knowledge of the SFIS system, basic knowledge of DPSS protocols and various welfare programs, and they work independently in the various district offices with general supervision.

Your motion requested that we evaluate whether the SFIS functions can be performed by an entry level Clerk as opposed to an Intermediate Typist-Clerk. The SFIS function does not meet the class level of a Clerk, since positions allocable to this class typically perform clerical duties that are routine and follow specific guidelines and policies and procedures within specific time frames. In addition, they work in a structured environment where their work product is closely reviewed by their immediate supervisor.

Additionally, the SFIS function does not meet the Intermediate Typist-Clerk class level since this class requires a typing rate of 40 net words per minute. Based on our review, we did not find any significant typing or data entry duties that would justify for the typing rate requirement. We found that speed and accuracy is not a key criteria to the successful performance of the SFIS job. As previously mentioned, these positions mainly operate the SFIS computer system to photograph and scan fingerprints of public assistance participants.

### **PROP A COST ANALYSIS**

Currently, 49 contract employees perform terminal operator services for the CalWORKs, General Relief, and Food Stamps programs in DPSS. A cost analysis comparing the estimated County cost to provide these services with Intermediate Clerks to the contractor's cost for these services was developed by DPSS and submitted to the Auditor-Controller (A-C) and CAO for their review. The estimated County avoidable cost is \$1.572 million a year and contract costs are estimated at \$1.440 million a year; therefore, contracting for these services will result in a cost savings of \$132,000 annually.

This review indicated that it continues to be cost-effective to contract for terminal operators services. My office and the CAO, therefore, recommend that the services continue to be provided by the contractor.

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**LEGAL QUALIFICATIONS REQUIRED FOR A PERSON TO TAKE THE FINGERPRINTS**

Some of the legal qualifications required of persons performing the SFIS function include (1) PDQ employees are fingerprinted prior to employment to check for possible criminal activities or history through the State Department of Justice; (2) PDQ employees must sign a Confidentiality Agreement to ensure confidentiality on the data and records accessed concerning public assistance participants; and, (3) PDQ employees are required to report whether they have applied for or are a participant of a public assistance program, or have relatives, friends, business relation/s, or personal acquaintance/s who are receiving public assistance.

If you have any questions or require additional information, please let me know or your staff may contact Authra Waterhouse of my staff at (213) 974-8481.

MJH:STS  
AW:cvo

c: Chief Administrative Officer  
Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller  
Department of Public Social Services

**SFIS Terminal Operator Services Contract - Calculation of Net Savings from Contracting  
Auditor-Controller**

Cost Items	County Cost Analysis		Contractor Cost Analysis <sup>9</sup>	
	Intermediate Clerk 1138	Totals	Terminal Operators	Totals
<b>DIRECT COSTS</b>				
Salaries (monthly) <sup>1</sup>	1,943.55		1,570.36	
Needed for required service level <sup>2</sup>	49		49	
Annual salary cost	1,142,807.40		923,371.68	
Estimated actual avoidable salaries	1,142,807.40		-	
Add: Related employee benefits <sup>3</sup>	350,053.33		41,971.44	
Bilingual Bonuses <sup>4</sup>	58,800.00		-	
Overtime <sup>5</sup>	20,792.63		23,144.65	
Estimated Actual avoidable annual direct labor cost	1,572,453.37	1,572,453.37	-	-
Services and Supplies		42.00	60,516.96	
<b>Total Direct Costs</b>		<b>1,572,495.37</b>	<b>1,049,004.73</b>	<b>1,049,004.73</b>
<b>INDIRECT COSTS</b>				
Payroll Taxes and Insurance			138,603.36	138,603.36
Intermediate Typist Clerk--Monitoring <sup>6,8</sup>				31,226.00
Human Services Administrator--Monitoring <sup>7,8</sup>				78,794.00
Overhead			92,727.60	92,727.60
Contractor's profit @ 4%			49,780.08	49,780.08
<b>Total Indirect Costs</b>				<b>391,131.04</b>
Estimated actual avoidable cost		1,572,495.37		
Contract Cost		(1,440,135.77)		
Net savings from contracting		<b>132,359.60</b>		

See Attachment for detailed footnotes.

**FOOTNOTES**

- (1) Based on first-step salary rates 10/1/02, using salary and COLA information from the CAO. Rates from 10/1/02 are being used as this is the salary that will be in place at the time the third year of the contract begins. The Co. cost analysis is based on the hiring of 49 additional Intermediate Clerks, therefore the Dept used first step sal rates (and no 5th step variance). The contractor's monthly salary is based on \$9.46/hr x only 1,992 hrs/yr since the contractor will not pay employees for County holidays.
- (2) The RFP indicates 49 employees are required to provide this service. Additionally, DHR confirmed that Intermediate Clerks are the appropriate item for this service.
- (3) EB Rate (30.631%) provided by Auditor-Controller. Rate for Contractor is \$0.43 per employee per hour (per contractor's proposal).
- (4) Verified in RFP all 49 IC's required to be bilingual. Additionally, we verified the bilingual pay rate of \$50 per pay period in County Code Section 6.10.140. {(\$50)\*(2 pay periods)\*(49 IC's)\*(12 months)}
- (5) Hourly salary (\$11.17) at time and a half (\$16.75). Contractor's billing rate is \$18.65 per hour. Overtime hours used in this calculation are based on the actual OT hours of the previous year (1,241 hrs).
- (6) Annual Salary, including benefits. {(\$1,992.00)\*(12months)\*(0.30631)}. Based on first-step salary rates as of 10/1/02 using salary and COLA information from the CAO. The Intermediate Typist Clerk position is reflected at first step as this will be a new hire. DHR did not confirm this item is necessary, however it appears that this position is reasonable.
- (7) Annual Salary, including benefits {(\$5,039.00)\*(12 months)\*(0.30631)}. Since this position currently exists, the salary cost was calculated at third step to coincide with the third year of the contract. DHR did not confirm this item is necessary, however it appears that this position is reasonable.
- (8) The Department did not include any Supervisory positions on the County side of the cost analysis. However, adding these positions would make the contract more cost effective, therefore we find the Department's approach reasonable.
- (9) Amounts obtained from the Contractor's proposed cost sheet.